

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Infrastructure and Investment Department – Approval of proposal of Andhra Pradesh Airports Development Corporation Limited (APADCL) to provide Government guarantee for obtaining Rs.1,000 Cr loan to meet the expenditure related to Land Acquisition and external infrastructure for development of airports in the State and to clear the urgent pending liabilities of APADCL - Orders – Issued.

INFRASTRUCTURE & INVESTMENT (AIRPORTS) DEPARTMENT

G.O.MS.No. 8

Dated: 14-07-2025

Read the following:

1. From the Managing Director, APADCL Efile No. BIAC-15/7/2025-CGM- APADCL, Computer No. 2737193.
2. Government Memo.No.INI01 APAD/22/2025, dated 29.03.2025.
3. From the Managing Director, APADCL Efile No. BIAC-15/16/2025-ENG-APADCL Computer No.2850046

ORDER:

The Government of Andhra Pradesh intends to develop (8) eight green field airports across the state viz., Srikakulam, Bhogapuram, Tuni-Annaram, Tadepallegudem, Ongole, Dagadathi, Kuppam and Nagarjuna Sagar, besides operationalization of the greenfield international airport at Bhogapuram, to enhance air connectivity and support regional economic growth and also desires to establish a new Greenfield International Airport at Amaravati, being the capital of the state.

2. In this regard, on the proposal of Managing Director, Andhra Pradesh Airports Development Corporation Limited (APADCL), to file requisition to the District Collectors for land acquisition for development of Seven airports, viz. Kuppam, Srikakulam, Dagadathi (Nellore), Nagarjuna Sagar, Tuni-Annaram, Tadepalligudem and Ongole, vide reference 2nd read above, the Government accorded in-principle administrative sanction for Rs.1,570.64 Crores for land acquisition for development of (7) airports and the MD, APADCL is directed to approach the financial institutions to strive to organize the amounts required for land acquisition for all the above airports.

3. Accordingly, the Managing Director, APADCL has submitted that development of Kuppam, Dagadathi, Srikakulam and Amaravati are being taken up under phase-1; TeFR study has been completed for

Kuppam and Dagadorthy & TeFR is under progress for remaining two airports. Hence, there is an urgency to make the lands available as an equity in each of these projects. Further, he has stated that the HUDCO has responded positively for the resource mobilization for the acquisition of land & clearing off liabilities to APADCL to the tune of a requirement of 1000 cr with certain conditions and hence, he has requested the Government to provide Shortfall Government Guarantee and to permit APADCL to secure Loan from HUDCO amounting to Rs.1000 crores, to be utilised for the requirement of funds for the development of airports at Kuppam, Dagadarthi & Srikakulam (for LA and external infra) and Amaravati (for external infra) and Viability Gap Funding (VGF) support for airports, if any and to clear the urgent pending liabilities of APADCL as given below;

- A. Land Acquisition : Rs. 597.51 Cr.
- B. Trunk Infrastructure : Rs. 202.40 Cr.
- C. Liabilities : Rs. 175.00 Cr
- D. Contingencies : Rs.100 Cr.
- Total :Rs.1,074.91 Cr.

4. The Government after careful examination, hereby agree to the proposal of Andhra Pradesh Airports Development Corporation Limited (APADCL) to provide Government guarantee for obtaining Rs.1,000 Cr loan to meet for development of airports at Kuppam, Dagadarthi & Srikakulam (for LA and external infra) and Amaravati (for external infra) and Viability Gap Funding (VGF) support for airports, if any and to clear the urgent pending liabilities of APADCL, with the following conditions;

- (i) The guarantee will be valid for the entire tenure of the loan period.
- (ii) The guarantee is extended for the principal and interest part.
- (iii) The Corporation to negotiate rate of interest and ensure to bring it at least on par with MCLR rates. Further, to ensure zero foreclosure charges clause in the agreement.
- (iv) Submission of repayment schedule of principal and interest along with the details such as interest rate, tenure, moratorium period, etc., and conditions, if any.
- (v) The government guarantee shall come into force only in the event of failure to pay the obligations to the lending institution by the APADCL.
- (vi) The deed shall not be valid unless it is signed by the authorized officer of the Finance Department., Government of Andhra Pradesh.

(vii) APADCL to pay a 5% guarantee commission on the guaranteed amount.

(viii) The MD, APADCL is requested to make internal arrangements for servicing's of the loan for entire period (first 10 years from other corporations/APMB in the department and thereafter from Boghapuram Airport) without depending on the finance department.

5. The Managing Director, APADCL shall take necessary action accordingly, in consultation with the Finance Department.

6. This order issues with the concurrence of Finance Department vide their U.O.No. FIN01-FMU0ASD(IIE)/17/2024-FMU-IC-IIE (Computer No. 2609902) Dated: 22.06.2025.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N YUVARAJ
SECRETARY TO GOVERNMENT

To

The Managing Director, APADCL, Mangalagiri.

The Executive Director, HUDCO, A.P., Vijayawada.

Copy to:

The Director of Treasuries and Accounts, A.P.,

The Accountant General, A.P., Vijayawada.

The Finance (Expenditure) Dept.,

The General Administration (Cabinet) Dept.,

The P.S. to Secretary to Hon'ble CM.

The P.S to M(I&I) Department

The P.S. to C.S to Govt.,

The P.S. to Secretary to Govt., I&I Department.

SF/SC

//FORWARDED :: BY ORDER//

SECTION OFFICER